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RESERVE BANK OF INDIA

(Central Office)

NOTIFICATION

DEPARTMENT OF BANKING DEVELOPMENT

Bombay-1, the 17th June 1955

No. DBD. 1246/SB. 15-53.—The following regulations made by the Central Board of the Reserve Bank of India, with the previous sanction of the Central Government, under sub-section (3) of section 50 of the State Bank of India Act, 1955, at its meeting held on the 15th June 1955 are published for general information:—

STATE BANK OF INDIA GENERAL REGULATIONS, 1955.

In exercise of the powers conferred by sub-section (3) of section 50 of the State Bank of India Act, 1955 (23 of 1955), the Reserve Bank of India, with the previous sanction of the Central Government, has made the following regulations, namely:—

CHAPTER I

INTRODUCTORY

1. Short title and commencement.—(1) These regulations may be called the State Bank of India General Regulations, 1955.

(2) They shall come into force on the appointed day.

2. Definition.—In these regulations unless there is anything repugnant in the subject or context,—

(a) “the Act” means the State Bank of India Act, 1955 (23 of 1955);

(b) “the Local Board concerned” in relation to any share means the Local Board under whose control the branch register on which the share is entered, is kept.

CHAPTER II

SHARES AND SHARE REGISTERS

3. Shares moveable property.—The shares of the State Bank shall be moveable property.

4. Control over shares and branch registers.—(1) Subject to the provisions of the Act and these regulations, and such directions as the Central Board may give from time to time, the branch register kept at any Local Head Office shall be maintained by, and be under the control of, the Local Board at that place and the decision of the Local Board as to whether or not a person is entitled to be registered as a shareholder in respect of any share shall be final.

(2) In particular, and without prejudice to the foregoing provision, a Local Board shall, as regards the entries in the branch register under its control, have the power to examine and pass or refuse to pass transfers and transmissions and to approve or refuse to approve transferees of shares and to give certificates of shares.

(3) The Local Board shall cause a copy of every entry in the branch register under its control to be forwarded immediately to Central Office for entry in the principal register.

5. Parties who may not be registered as shareholders.—(1) Except as otherwise provided by these regulations, no minor or person who has been found by a Court of competent jurisdiction to be of unsound mind shall be entitled to be registered as a shareholder.

(2) In the case of firms, shares shall be registered in the names of the individual partners, and no firm, as such, shall be entitled to be registered as a shareholder.

6. Particulars to be entered in the share registers.—(1) In addition to the particulars specified in section 13 of the Act, the following particulars shall be entered in the principal register as well as the branch registers:

- (i) the manner in which each shareholder acquired his share or shares, and except in the case of allotment of shares to the Reserve Bank under sub-section (1) of section 5 of the Act, the name of the previous holder and the register on which the share was last entered;
- (ii) whether the shareholder belongs to one of the categories of shareholders referred to in the proviso to section 11 of the Act, and if so, the category to which he belongs;
- (iii) when any person ceases to be a shareholder, the name of the person in whose favour and the register to which the share or shares are transferred; and
- (iv) such further particulars as the Central Board may specify.

(2) A separate ledger shall be maintained in respect of shares issued under sub-paragraph (1) of paragraph 6 of the First Schedule to the Act.

(3) In the case of joint holders of any shares, their names and other particulars required by sub-regulation (1) shall be grouped under the name of the First of such joint holders.

(4) A shareholder resident outside India shall furnish to the State Bank an address in India, and such address shall be entered in the registers and be deemed to be his registered address for the purposes of the Act and these regulations.

7. Exercise of rights of joint holders.—If any share stands in the name of two or more persons the person first named in the register shall, as regards voting, receipt of dividends, service of notices and all or any other matter connected with the State Bank, except the transfer of the shares, be deemed the sole holder thereof.

8. Areas of the various registers.—(1) The area to be served by each branch register shall comprise of the territories of the States shown below against it in column 2:—

(1)	(2)
(i) The Branch Register at the Local Head Office, Bombay.	The States of Bombay, Madhya Pradesh, Hyderabad, Madhya Bharat, Rajasthan, Saurashtra, Ajmer, Bhopal and Kutch.
(ii) The Branch Register at the Local Head Office, Calcutta.	The States of Assam, Bihar, Orissa, Punjab, Uttar Pradesh, West Bengal, Jammu & Kashmir, Patiala and East Punjab States Union, Bilaspur, Delhi, Himachal Pradesh, Manipur, Tripura, Vindhya Pradesh and the Andaman and Nicobar Islands.
(iii) The Branch Register at the Andaman and Nicobar Islands <i>the Local Head Office, Madras</i>	The States of Andhra, Madras, Mysore, Travancore-Cochin and Coorg.

(2) Any territories not specified in sub-regulation (1) shall be included in the area of the branch register at the Local Head Office, Bombay.

9. Inspection of registers.—(1) The principal register or any branch register shall, except when closed under the provisions of these regulations, be open to the inspection of any shareholder, free of charge, at the places where they are maintained during business hours, subject to such reasonable restrictions as the State Bank may impose, but so that not less than two hours in each working day shall be allowed for inspection;

(2) A shareholder shall not have the right himself to make a copy of any entry in any such register, but may, except when the register is closed, require a copy of any such register or of any part thereof on pre-payment therefor at the rate of eight annas for every hundred words or fractional part thereof required to be copied.

10. Closing of share registers.—(1) The Central Board may close the principal register or any one or more of the branch registers

from time to time for such periods, not exceeding four weeks at any one time, as shall, in its opinion, be necessary.

(2) A notice of the closing of a share register shall be published in the Gazette of India and also in each of the areas served by the various registers by publication in at least two principal daily newspapers circulating in that area.

11. Share certificates.—(1) Every share certificate shall be issued under the official seal of the Local Board concerned, and shall specify the number and denoting numbers of the shares in respect of which it is issued.

(2) The share certificates in respect of shares issued under subparagraph (1) of paragraph 6 of the First Schedule to the Act shall be of a colour distinct from that of the certificates issued in respect of other shares.

12. Issue of share certificates free of charge.—(1) A shareholder shall be entitled, free of charge, to one certificate for each five shares registered in his name on any one occasion, and one additional share certificate for the number of shares in excess of a multiple of five shares.

(2) If the number of shares to be registered is less than five, one certificate shall be issued free of charge for all the shares.

(3) If any shareholder requires more certificates than the number to which he is entitled, free of charge, under this regulation, he shall pay to the State Bank for each additional certificate the sum of rupee one.

(4) In the case of shares held jointly by several persons, delivery of the relative certificate or certificates to one of such joint holders shall be sufficient delivery to all, and a receipt signed by anyone of the joint holders shall effectually bind all the joint holders.

13. Renewal of share certificates.—(1) If any share certificate is worn out or defaced or tendered for sub-division, then upon production thereof to the Local Board concerned, such Local Board may order the same to be cancelled, and have a new certificate or certificates issued in lieu thereof.

(2) If any share certificate is alleged to be lost or destroyed then upon production of such evidence of the loss or destruction thereof, as the Local Board concerned may consider satisfactory and upon such indemnity with or without security as the Local Board may require, and on payment to the State Bank of its costs, charges and expenses of and incidental to the matter, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate.

(3) For every certificate issued under this regulation, there shall be paid to the State Bank a sum of rupee one.

14. Warrant for transfer of State Bank shares.—The warrant issued by the Reserve Bank directing a transfer of shares of the State Bank in pursuance of the provisions of sub-paragraph (2) of

paragraph 5 of the First Schedule to the Act shall be in the following form:—

[Exempt from stamp duty under paragraph 5(3) of the First Schedule to the State Bank of India Act, 1955.]

RESERVE BANK OF INDIA

CENTRAL OFFICE

Bombay, 1.

COUNTERFOIL

Share Transfer Warrant

Share Transfer Warrant

(Issued under paragraph 5 of the First Schedule to the State Bank of India Act, 1955).

No.....Dated———

No..... Dated——— 195 .

Issued in favour
of.....

No. of shares.....

Branch Register at.....

Initials.....

Please transfer to.....share(s)
of the Face Value of Rs.....of
the State Bank of India out of the
shares standing allotted to the Re-
serve Bank of India under sub-sec-
tion (1) of section 5 of the State Bank
of India Act, 1955. The share(s) may
be registered in the name(s) of the
transferee(s) on the branch register
at.....

For RESERVE BANK OF INDIA,

Secretary.

State Bank of India, Share Transfer
Department, Bombay.

15. Transfer of shares.—(1) Without prejudice to the provisions of Regulation 14, every transfer of the shares of the State Bank shall be in writing in the following form or in any usual or common form which the State Bank shall approve:

I/We.....of.....in consideration of the sum
of rupees.....paid to me/us by.....of.....
[hereinafter called "the transferee(s)"] do hereby transfer to the
transferee(s).....share/shares of the State Bank of India
numbered.....and registered in the Branch Register at
.....to hold unto the transferee(s), his/their execu-
tors, administrators and assigns, subject to the several conditions
contained in the State Bank of India Act, 1955 and the rules and
regulations made thereunder, and I/we, the transferee(s), do here-
by agree to take the said share/shares subject to the conditions
aforesaid and I/we, the transferee(s) request that I/we be register-
ed in respect of the said share/shares in the Branch Register at.....
.....(to which the said shares may be transferred). I/We, the
transferee(s), do hereby declare that—

(a) I/we do not hold any shares of the State Bank on any
Branch Register other than the Branch Register at.....
.....and

- (b) I/we shall not, on registration of this transfer, come to be registered as holder of shares of the State Bank in excess of the maximum number of shares permitted by section 11 of the State Bank of India Act, 1955.

Transferor	Name.....
	Address.....
Witness	{ Name.....
	{ Address.....
	{ Occupation.....
Transferee	{ Name.....
	{ Address.....
Witness	{ Name.....
	{ Address.....
	{ Occupation.....

(2) The instrument of transfer of any share shall be submitted to the Local Board concerned and shall be signed by the transferor and the transferee, and the transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the share register concerned in respect thereof. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address and occupation.

(3) Upon receipt by the Local Board of an instrument of transfer with the request to register the transferee, the Local Board shall, unless it declines the registration under Regulation 16, cause the transfer to be registered on the Branch Register under its control, and shall also arrange, if necessary, for the Branch Register to which the shares are to be transferred to be amended accordingly.

16. Power to refuse or suspend transfers.—(1) A Local Board may decline to register any transfer of shares unless:—

- (a) a sum not exceeding rupees two is paid to the State Bank in respect thereof which sum shall not in any event be refunded;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the State Bank may reasonably require to show the right of the transferor to make the transfer; ~~make the transfer;~~
- (c) it is satisfied after such enquiry as it may consider necessary that the transferee is qualified to be registered as a shareholder of the State Bank in respect of the shares covered by the instrument of transfer, and that on registration of transfer, the transferee will not be registered on more than one register.

(2) A Local Board may also decline to register the transfer of a share on which the State Bank has a lien.

(3) A Local Board may suspend the registration of transfer during any period in which the registers are closed.

17. Transfer of name to another branch register.—(1) If a shareholder wishes to have the shares registered in his name on one branch register to be transferred to another branch register, he shall make an application to the Local Board which is in control of the branch register in which the shares to be transferred are entered and that Local Board shall, if it is satisfied, that on the registration of such transfer, the applicant will not be registered in more than one register, cause the branch register under its control as well as the branch register to which the shares are to be transferred to be amended accordingly.

(2) A sum of rupee one shall be payable to the State Bank for such amendment of the registers.

18. Lien on shares.—The State Bank shall have a first and paramount lien upon all shares registered in the name of each shareholder (whether solely or jointly with others) and upon the proceeds of sale thereof for his debts, liabilities and engagements solely or jointly with any other person to or with the State Bank, whether the period for the payment, fulfilment or discharge thereof shall have actually arrived or not, and such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the State Bank's lien, if any, on such shares.

19. Transmission of shares in the event of death, insolvency etc. of a shareholder.—(1) The executors or administrators of a deceased sole holder of a share, or the holder of a succession certificate issued under Part X of the Indian Succession Act, 1925 in respect of such share, or a person in whose favour a valid instrument of transfer of such share was executed by such person and by the deceased sole holder during the latter's life-time, shall be the only persons who may be recognised by the State Bank as having any title to the share of the deceased shareholder. In the case of a share registered in the names of two or more holders, the survivor or survivors and on the death of the last survivor, his executors or administrators, or any person who is the holder of a succession certificate in respect of such survivor's interest in the share, or a person in whose favour a valid instrument of transfer of the share was executed by such person and such last survivor during the latter's life-time, shall be the only person who may be recognised by the State Bank as having any title to such share. The State Bank shall not be bound to recognise such executors or administrators unless they shall have obtained probate or letters of administration or other legal representation as the case may be from a duly constituted Court in India having effect at the place where the branch register in which the deceased was registered as a shareholder is kept;

Provided nevertheless that in any case where the Local Board concerned shall in its absolute discretion think fit, it shall be lawful for such Local Board to dispense with the production of a succession certificate, letters of administration or such other legal representation upon such terms as to indemnity or otherwise as it may think fit.

(2) Any such person becoming entitled to a share in consequence of the death of a shareholder and any person becoming entitled to

a share in consequence of the insolvency, bankruptcy or liquidation of a shareholder shall upon production of such evidence, as the Local Board concerned may require, have the right:

- (a) to be registered as a shareholder in respect of the share upon his satisfying the Local Board in the same manner as if he were the proposed transferee under regulation 16 that he is qualified to be registered as a shareholder and that, on registration, he will not be registered on more than one register, or
- (b) to make such transfer of the share as the person from whom he derives his title could have made.

20. Shareholder ceasing to be qualified for registration.—(1) It shall be the duty of any person registered as a shareholder, whether alone or jointly with another or others, forthwith upon ceasing to be qualified to be so registered in respect of any share to give intimation thereof to the Local Board concerned.

(2) A Local Board may at any time cause such enquiries to be made as it shall see fit for the purpose of ascertaining whether any person registered as a shareholder on the branch register under its control (whether alone or jointly with another or others) has ceased to be qualified to be so registered in respect of any share and upon being satisfied that any such person is registered, by inadvertence or otherwise, in respect of any shares held by him whether in his own name or jointly with another person or persons so as to make such total holdings in excess of the total nominal value of twenty thousand rupees it shall determine which of such shares shall be deemed to constitute such excess and shall inform the shareholder or, where such excess is held jointly, each of the joint shareholders that in accordance with section 11 of the Act he is, and in the case of joint holders they are, not entitled to the payment of any dividend on any such share nor to exercise any of the rights of a shareholder otherwise than for the purpose of the sale of such share and shall make an entry in the register to that effect.

(3) A determination of the Local Board under sub-regulation (2) shall be conclusive.

CHAPTER III

MEETINGS OF SHAREHOLDERS

21. Notice convening a general meeting.—(1) A notice convening a general meeting of the shareholders signed by the Chairman or the Vice-Chairman shall be published at least twenty-eight days before the meeting in the Gazette of India and also in each of the areas served by the various registers by publication in at least two principal daily newspapers circulating in that area.

(2) Every such notice shall state the time, date and place of such meeting, and also the business that shall be transacted at the meeting.

22. Special general meeting.—(1) The Chairman shall convene a special general meeting of shareholders, if so directed by the Central Board, or if a requisition for such a meeting has been received either

from the Reserve Bank or from other shareholders holding shares carrying, in the aggregate, not less than 20 per cent of the total voting rights of all the shareholders.

(2) The requisition referred to in sub-regulation (1) shall state the purpose for which the special general meeting is required to be convened, but may consist of several documents in like form each signed by one or more of the requisitionists.

(3) The time, date and place of a general meeting shall be decided by the Central Board:

Provided that a special general meeting convened on requisition by the Reserve Bank or other shareholders shall be convened not later than three months of the receipt of the requisition.

23. Business at general meetings.—(1) No business other than that specified in sub-section (2) of section 42 of the Act shall be transacted or discussed at the annual general meeting, except with the consent of the Chairman, unless not less than six weeks notice of the same has been given to the Chairman either by the Reserve Bank or by at least ten other shareholders qualified to vote at the meeting. Such notice shall take the form of a definite resolution to be put to the meeting, and shall be included in the notice of the meeting.

(2) Except with the consent of the Chairman, no business shall be transacted or discussed at any special general meeting, except the business for which the meeting has been specifically convened.

24. Quorum at general meetings.—No business shall be transacted at any meeting of the shareholders whether it is the annual general meeting or any special general meeting, unless a quorum of at least five shareholders consisting of the Reserve Bank represented by a proxy or by a duly authorised representative and four other shareholders entitled to vote at such meeting in person or by proxy or by duly authorised representatives is present at the commencement of such business, and if within fifteen minutes from the time appointed for the meeting a quorum is not present, the Chairman may dissolve the meeting or adjourn it to the same day in the following week at the same time and place, and if at such adjourned meeting a quorum is not present, the shareholders who are present in person or by proxy or by duly authorised representative shall form a quorum:

Provided that no annual general meeting shall be adjourned to a date later than two months after the 31st December and if adjournment of the meeting to the same day in the following week would have this effect, the annual general meeting shall not be adjourned but the business of the meeting shall be commenced either as soon within one hour from the time appointed for the meeting as a quorum may be present, or immediately after the expiry of one hour from that time and those shareholders who are present in person or by proxy or by duly authorised representative at such time shall form a quorum.

25. Chairman at general meetings.—(1) The Chairman or in his absence the Vice-Chairman shall be the Chairman at all general meetings, and if neither the Chairman nor the Vice-Chairman is

present, the meeting may elect any other director, other than a Managing Director, to be the Chairman of the meeting.

(2) The Chairman of the general meeting shall regulate the procedure at all general meetings, and, in particular, shall have power to decide the order in which shareholders may address the meeting, to fix a time limit for speeches, to apply the closure when, in his opinion, any matter has been sufficiently discussed and to adjourn the meeting.

26. Persons entitled to attend general meetings.—(1) All directors, members of ~~the~~ Local Boards or of any Local Committee and all shareholders of the State Bank shall, subject to the provisions of sub-regulation (2), be entitled to attend a general meeting.

(2) A shareholder, not being the Reserve Bank, a director or a member of a Local Board or of a Local Committee, attending a general meeting shall, for the purpose of identification and to determine his voting rights, be required to sign and deliver to the State Bank a form to be specified by the Chairman containing the following particulars:

- (a) his full name and registered address;
- (b) the denoting numbers of his shares and the branch register on which these are entered;
- (c) whether he is entitled to vote and the number of votes to which he is entitled in person or as proxy or as a duly authorised representative.

(3) When a general meeting is held at a Local Head Office, other than the place at which the branch register in which the shareholder attending the meeting is registered, is kept, he shall have the particulars in the said form certified as correct by the Secretary of the Local Board at the place at which the branch register in which he is registered, is kept. Such certificates may be obtained on application in person or in writing over the shareholder's signature at any time after the date of the meeting has been published.

27. Voting at general meetings.—(1) Save as otherwise provided in section 24 of the Act, every matter submitted to a general meeting shall be decided by a majority of votes.

(2) A declaration by the Chairman of a general meeting that a resolution has been carried or rejected thereat upon a show of hands by those shareholders present who are entitled to vote on the resolution shall be conclusive, and an entry to that effect in the book of proceedings of the State Bank shall be sufficient evidence of that fact, without proof of the number or proportion of the votes recorded in favour of, or against, such resolution, unless immediately on such declaration a poll be demanded in writing on behalf of the Reserve Bank or by at least four other shareholders present and entitled to vote at the meeting.

(3) If a poll be duly demanded, it shall be taken either at once or at such time and place and either by open voting or by ballot as the Chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the

poll was demanded. At such poll, voting shall be either in person or by proxy or by duly authorised representative, and the shareholders shall exercise the voting rights referred to in regulation 31.

(4) The decision of the Chairman of the meeting as to the qualification of any person to vote, and also in the case of a poll, as to the number of votes any person is competent to exercise shall be final.

28. Minutes of general meetings.—(1) The State Bank shall cause the minutes of all proceedings of general meetings to be entered in books kept for that purpose.

(2) Any such minute, if purporting to be signed by the Chairman of the meeting at which the proceedings were held, or by the Chairman of the next succeeding meeting, shall be evidence of the proceedings.

(3) Until the contrary is proved, every general meeting in respect of the proceedings whereof minutes have been so made shall be deemed to have been duly called and held, and all proceedings held thereat to have been duly held.

29. Local meetings.—(1) A meeting of the shareholders on a branch register to be called "a local meeting" may be held at the Local Head Office of the State Bank at which the concerned branch register is kept. Such meeting shall be convened by the Chairman at the instance of the Central Board, or on a requisition being received therefor from either the Reserve Bank or other shareholders holding, in the aggregate, not less than 25 per cent. of the voting rights held by all shareholders whose names are entered on the concerned branch register.

(2) A notice convening a local meeting signed by the Chairman or the Vice-Chairman shall be published at least four weeks before the meeting in the *Gazette of India* and in at least two newspapers circulating in the area served by the branch register kept at the place where the meeting is to be held.

(3) In addition to the shareholders whose names are entered on the branch register concerned, all members of the Local Board of the area of that register, the members of a Local Committee, if any, established in that area, and all directors ordinarily resident in that area shall be entitled to attend a local meeting.

(4) The Chairman, or, in his absence, the Vice-Chairman or other director authorised by the Chairman in this behalf shall be the Chairman of the local meeting, and if the Chairman and the Vice-Chairman are unable to attend the meeting for any reason, and there is also no authorization by the Chairman in favour of any other director, the local meeting may elect any shareholder present to be the Chairman of the meeting.

(5) Subject to the provisions contained in this regulation, the provisions of this Chapter and of Chapter IV shall, so far as may be, apply to local meetings of the shareholders on a branch register as they apply to general meetings:

Provided that references in the said provisions to shareholders shall be deemed to be references to shareholders on the branch register.

CHAPTER IV

VOTING RIGHTS OF SHAREHOLDERS

30. Definition.—In these regulations “company” means a body corporate either incorporated under the Indian Companies Act, 1913, or any other law for the time being in force, and unless there is anything repugnant in the subject or context, includes the Reserve Bank, and a Co-operative Society.

31. Determination of voting rights.—(1) Subject to the provisions contained in section 11 of the Act, each shareholder who has been registered as a shareholder for a period of not less than three months prior to the date of a general meeting shall, at such meeting, have one vote for each five shares held by him.

(2) Every shareholder entitled to vote as aforesaid who, not being a company, is present in person or by proxy or who being a company is present by a duly authorised representative, or by proxy shall have one vote on a show of hands and in case of a poll shall have one vote for each five shares held by him for the whole period of three months prior to the date of such meeting.

32. Voting by duly authorised representative.—(1) A shareholder, being a company, may by a resolution authorise any of its officials or any other person to act as its representative at any general meeting of the shareholders and the person so authorised (referred to as a “duly authorised representative” in these regulations) shall be entitled to exercise the same powers on behalf of the company which he represents, as if he were an individual shareholder of the State Bank. The authorisation so given may be in favour of two persons in the alternative and in such a case any one of such persons may act as the duly authorised representative of the company.

(2) A person acting in pursuance of an authorisation given under this regulation shall not be deemed to be a proxy.

(3) No person may attend or vote at any meeting of shareholders of the State Bank as a duly authorised representative of a company unless a copy of the resolution appointing him as a duly authorised representative certified to be a true copy by the chairman of the meeting at which it was passed shall have been deposited at the Local Head Office at the place where the meeting is to be held not less than 4 clear days before the date fixed for the meeting.

(4) An appointment of a duly authorised representative shall, after the deposit of a certified copy of the resolution as aforesaid, be irrevocable for the meeting for which it is made and shall revoke any proxy previously deposited for such meeting by the company.

33. Voting by duly authorised representative precludes voting by proxy. No shareholder, being a company, shall vote by proxy so long as a resolution of its directors under regulation 32 authorising

any of its officials or any other person to act as its duly authorised representative at any general meeting shall be in force.

34. Proxies.—(1) No instrument of proxy shall be valid unless in the case of an individual shareholder it is signed by him or by his attorney duly authorised in writing, or in the case of joint holders, it is signed by the shareholder first named in the branch register or his attorney duly authorised in writing or in the case of a company it is executed under its common seal, if any, or signed by its attorney duly authorised in writing:

Provided that an instrument of proxy shall be sufficiently signed by any shareholder, who is, for any reason, unable to write his name, if his mark is affixed thereto and attested by a Judge, Magistrate, Justice of the Peace, Registrar or Sub-Registrar of Assurances, or other Government Gazetted Officer or an officer of the Reserve Bank or the State Bank.

(2) No person shall be appointed as a proxy unless he is entitled to attend the general meeting otherwise than as a proxy, provided that this sub-regulation shall not apply to a proxy appointed by a company.

(3) No proxy shall be valid unless it is duly stamped and unless it, together with the power of attorney or other authority (if any) under which it is signed, or a copy of that power or authority certified by a notary public or a magistrate or in case a power of attorney which is previously deposited and registered with any Local Head Office, certified by the Secretary to the Local Board at that Head Office, is deposited at the Local Head Office in the place where the meeting is to be held not less than 7 clear days before the date fixed for the meeting.

(4) No instrument of proxy shall be valid unless it is in the following form and dated, namely:—

STATE BANK OF INDIA

I/We of being (a) shareholder(s) of the State Bank of India holding shares Nos..... on the branch register at do hereby appoint of (or failing him of) as my/our proxy to vote for me/us and on my/our behalf at a meeting of the shareholders of the State Bank to be held at on the day of and at any adjournment thereof.

Dated this day of

(5) An instrument of proxy so deposited shall be irrevocable—

(i) unless on or before the last day for the deposit of proxies there shall have been deposited at the Local Head Office of the State Bank where the meeting is to be held a notice in writing under the hand or common seal of the grantor specifically stating—

(a) the name of the person in whose favour the instrument was granted; and

(b) that such instrument is revoked; or

(ii) unless the same is deemed to be invalid under sub-regulation (6).

In the case of an instrument of proxy granted in favour of two grantees in the alternative, it shall not be necessary to mention in the notice of revocation the name of the second or alternative grantee provided that the notice is otherwise sufficient to identify beyond doubt the instrument of proxy which it is intended to revoke.

(6) If two or more instruments of proxy in respect of the same shares shall be deposited and if on or before the last day for deposit of proxies all but one of such instruments of proxy shall not have been duly revoked in accordance with the procedure laid down in sub-regulation (5) all such instruments of proxy shall be deemed invalid.

(7) The due revocation of an instrument of proxy shall in no way prohibit the deposit of another valid instrument of proxy within the time specified in sub-regulation (3).

(8) The grantor of an instrument of proxy which has become irrevocable under this regulation shall not be entitled to vote in person at the meeting to which such instrument relates.

35. Appointment of an employee of the State Bank as duly authorised representative or proxy invalid.—No person may be appointed a duly authorised representative or a proxy who is an officer or an employee of the State Bank.

CHAPTER V

ELECTION OF DIRECTORS AND MEMBERS OF LOCAL BOARDS

36. Determination by lot of directors to retire.—The determination by lot under clause (iii) of sub-section (5) of section 20 of the Act shall be made at a meeting of the Central Board to be held not later than three months before the expiry of each successive period of one year specified in clauses (i) and (ii) of that sub-section, and the result shall be declared immediately thereafter.

37. Directors and Local Board members to be elected at local meetings.—(1) The election of a director or member of a Local Board by the shareholders on any branch register shall take place at a local meeting of such shareholders.

(2) Where at any local meeting an election of a director or a member of a Local Board is to be held, the notice thereof shall be included in the notice convening the meeting. Every such notice shall also specify the number of directors or members of Local Board to be elected, and the particular vacancies in respect of which the election is to be held.

38. List of shareholders.—(1) For the purpose of election of a director under clause (c) of sub-section (1) of section 19 or of a member of a Local Board under clause (b) of sub-section (1) of section 21 of the Act, a list shall be prepared of shareholders entered in the branch register by whom the director or the member of a Local Board, as the case may be, is to be elected.

(2) Each such list shall contain the names of the shareholders, their registered addresses, the number and denoting numbers of shares held by them with the dates on which the shares were registered and the number of votes to which they will be entitled on the date fixed for the meeting at which the election will take place and copies of such lists shall be available for purchase at least three weeks before the date fixed for the meeting at a price of one rupee per copy on application at the Local Head Office in which the meeting is to be held.

39. Nomination of candidates for election.—(1) No candidate for election as a Director or a member of a Local Board shall be validly nominated unless—

- (a) he is, on the last date for receipt of nominations, not disqualified to be a director or a member of a Local Board, as the case may be, under section 22 of the Act;
- (b) the nomination is in writing signed by at least two shareholders qualified to vote, whose names are entered on the branch register from which the Director or the Local Board Member as the case may be, is to be elected, or by their duly constituted attorneys, provided that a nomination by a shareholder who is a body corporate may be made by a resolution of the directors of the said body corporate and where it is so made, a copy of the resolution certified to be a true copy by the Chairman of the meeting at which it was passed shall be despatched to the Local Head Office of the State Bank in which the meeting at which the election will take place is to be held, and such copy shall be deemed to be a nomination on behalf of such body corporate;
- (c) the nomination paper contains a declaration signed by the candidate before a Judge, Magistrate, Justice of the Peace, Registrar, or Sub-Registrar of Assurances, or other Government Gazetted Officer or an officer of the Reserve Bank or the State Bank, that he accepts the nomination, and is willing to stand for election, and that he is not disqualified for election under section 22.

(2) No nomination shall be valid unless it is received, with all the connected documents or papers, in the Local Head Office of the State Bank in which the meeting is to be held on a working day, not less than 14 clear days before the date fixed for the meeting.

40. Publication of list of candidates.—(1) On the first working day following the last date fixed for the receipt of nominations, the same shall be taken into consideration by the Secretary of the Local Board at the place where the meeting is to be held. Such officer shall after such enquiry, if any, as he thinks necessary, satisfy himself in regard to the provisions of regulation 39, and shall accept or reject the nomination of each candidate as may appear to him to be justified, and, in the case of rejection, shall briefly record his reasons for so doing. The decision of the Secretary that a nomination is valid or invalid shall, subject to the result of any reference under regulation 42, be final. If there is only one valid nomination for any particular vacancy to be filled by election, the candidate validly nominated for such

vacancy shall be deemed to be elected at the meeting convened for the purpose, and his name and address shall be published as so elected. In such an event there shall not be any election at the meeting, and if a local meeting had been called solely for the purpose of the afore-said election, the meeting shall stand cancelled. If the number of valid nominations for any particular vacancy exceeds one, the Secretary shall cause to be published the names and addresses of candidates validly nominated for such vacancy.

(2) All notices in pursuance of sub-regulation (1) shall be published in the Gazette of India and in at least two newspapers circulating in the area served by the branch register from which the election is held.

(3) The Secretary shall send a copy of every such notice issued by him to the Chairman forthwith.

41. Assumption of office by the elected candidate.—A Director or a Member of a Local Board elected to fill an existing vacancy shall be deemed to have assumed office from the date following that on which he is, or is deemed to be, elected.

42. Election disputes.—(1) If any doubt or dispute shall arise as to the qualification or disqualification of a person deemed, or declared to be elected, or as to the validity of the election of a Director or member of a Local Board, any person interested, being a candidate or shareholder entitled to vote at such election, may, within seven days of the date of the declaration of the result of such election, give intimation in writing thereof to the Chairman and shall in the said intimation give full particulars of the grounds upon which he doubts or disputes the validity of the election.

(2) On receipt of an intimation under sub-regulation (1), the Chairman shall forthwith refer such doubt or dispute for the decision of a Committee consisting of himself, and the directors nominated pursuant to clauses (e) and (f) of sub-section (1) of section 19 of the Act.

(3) Such committee shall make such enquiry as it deems necessary and if it finds that the election was a valid election, it shall confirm the declared result of the election or, if it finds that the election was not a valid election, it shall make such order and give such directions including the holding of a fresh election as shall in the circumstances appear just to the committee.

(4) An order and direction of such committee in pursuance of this regulation shall be conclusive.

CHAPTER VI

CENTRAL BOARD AND ITS EXECUTIVE COMMITTEE

43. Allocation of elected directors to various areas.—Out of the six directors referred to in clause (c) of sub-section (1) of section 19 of the Act, to be elected by shareholders, other than the Reserve Bank, two shall be elected by shareholders whose names are entered on the branch register at Bombay, two by those whose names are entered on the branch register at Calcutta, and two by those whose names are entered on the branch register at Madras.

44. Meetings of the Central Board.—(1) Meetings of the Central Board shall be convened by the Chairman or, in his absence, by the Vice-Chairman, at least six times in each year and at least one in each quarter.

(2) Any three directors may require the Chairman to convene a meeting of the Central Board at any time, and the Chairman shall, on receipt of the requisition, convene a meeting of the Central Board giving sufficient notice, provided that the date of the meeting so convened shall not be later than 21 days from the date of the receipt of the requisition.

(3) Meetings of the Central Board shall be held at the Central Office of the State Bank, or at such other place as the Chairman, or in his absence, the Vice-Chairman may decide.

(4) Ordinarily not less than 15 days' notice shall be given of each meeting of the Central Board, and such notice shall be sent to every director at his registered address. Should it be found necessary to convene an emergency meeting, sufficient notice shall be given to every director in India to enable him to attend.

(5) No business other than that for which the meeting was convened shall be discussed at a meeting of the Central Board except with the consent of the Chairman and a majority of the directors present unless one week's notice has been given of the same in writing to the Chairman.

(6) Five directors, of whom not less than one shall be a director elected under clause (c) of sub-section (1) of section 19 of the Act and two directors nominated under clause (d) of that sub-section, shall form a quorum for the transaction of business.

(7) A copy of the proceedings of each Central Board meeting shall be circulated as soon as possible thereafter for the information of the directors, and shall be signed by the Chairman of that or the next succeeding meeting.

45. Resolution without meeting of Central Board valid.—(1) A resolution in writing signed by a majority of the directors of the Central Board shall be valid and effectual, and shall be deemed to be the resolution passed by the Central Board on the date on which it is signed by the last signatory to the resolution:

Provided that if any dissenting director in writing requires that any resolution passed shall be placed before a meeting of the Central Board, the resolution shall not be deemed to be valid and effectual, as aforesaid, unless the same is passed at such meeting.

(2) Nothing in sub-regulation (1) shall apply to a resolution in respect of any matter relating to the making of advances or discounting of bills by the State Bank.

46. Constitution and powers of the Executive Committee.—(1) There shall be an Executive Committee of the Central Board consisting of the Chairman, Vice-Chairman, the Managing Directors, if any, the director nominated under clause (f) of sub-section (1) of section 19 of the Act and all or any of the other directors who

are normally resident, or may, for the time being, be present, at any place within India in the area of the branch register within which area the meeting is held.

(2) Subject to the other provisions of these regulations and to such general or special directions as the Central Board may give from time to time, the Executive Committee may deal with any matter within the competence of the Central Board.

47. Meetings of the Executive Committee.—(1) Meetings of the Executive Committee shall be held weekly, sufficient notice being given to the directors on the Executive Committee to attend the meeting.

(2) Four directors, of whom not less than two are directors elected under clause (c) of sub-section (1) of section 19 of the Act or nominated under clause (d) of that sub-section shall form a quorum for the transaction of business.

(3) The minutes of every meeting of the Executive Committee shall be laid before the Central Board as soon as possible after the meeting of the Executive Committee.

(4) The provisions of the Act and, save as otherwise provided in this regulation, of these regulations shall apply to the meetings of the Executive Committee as if they were meetings of the Central Board.

CHAPTER VII

LOCAL BOARDS AND THEIR COMMITTEES

48. Constitution of Local Boards.—In addition to the members mentioned in clause (a) of sub-section (1) of section 21 of the Act, each Local Board shall consist of four members, of whom one member shall be elected by the shareholders whose names are entered in the branch register under its control, and the remaining members nominated by the Central Government, in consultation with the Reserve Bank:

Provided that, on the first constitution of every Local Board, the member to be elected by the shareholders on the branch register under its control shall also be nominated by the Central Government, in consultation with the Reserve Bank, and the said member shall be deemed to be the elected member for the purpose of the Act and these regulations.

49. Term of office of Local Board members.—(1) A person who is a member of the Local Board by virtue of the provision in clause (a) of sub-section (1) of section 21 of the Act shall hold office for so long as he continues to be a director of the State Bank. Every other member of the Local Board shall hold office for two years and thereafter until his successor shall have been elected or nominated, and shall be eligible for re-election or re-nomination, as the case may be.

(2) Notwithstanding anything contained in sub-regulation (1), the Central Government, after consulting the Reserve Bank and after giving opportunity for showing cause against his removal may remove any member nominated under Regulation 48.

50. Casual vacancies.—(1) Where any vacancy occurs before the expiry of the term of office of a Local Board member, not being a member referred to in clause (a) of sub-section (1) of section 21 of the Act the vacancy shall be filled—

(a) in the case of an elected member, by election, and

(b) in the case of a nominated member, by nomination:

Provided that where the duration of the vacancy in the office of an elected member is likely to be less than six months, the vacancy may be filled by the Local Board concerned by co-opting a person not disqualified under section 22 of the Act.

(2) Any person elected, nominated or co-opted as the case may be, under this regulation shall hold office for the unexpired portion of the term of his predecessor.

51. Presidents and Vice-Presidents of Local Boards.—The President and Vice-President of a Local Board shall be nominated by the Chairman from among the members of the Local Board. They shall hold office as such for the rest of their term of office as members, and shall be eligible for re-nomination so long as they remain members of the Local Board.

52. Meetings of Local Boards.—(1) Meetings of a Local Board shall be convened by the Secretary of the Local Board or, in his absence, by the Deputy Secretary from time to time as he may consider necessary having regard to the business to be transacted at such meetings.

(2) The President, or in his absence, the Vice President shall be the Chairman of the meeting of the Local Board:

Provided that if both President and the Vice-President are absent from any meeting, the members present at the meeting shall elect a Chairman of the meeting from amongst the members present.

(3) Notwithstanding anything contained in sub-regulation (2), if the Chairman or the Vice-Chairman of the State Bank is a member of any Local Board, he shall be the Chairman of the meetings of that Local Board attended by him.

(4) The Secretary & Treasurer at each Local Head Office or other senior-most officer at that office shall be the *ex-officio* Secretary of the Local Board constituted at that Local Head Office, and the officer next senior in rank to him shall be the *ex-officio* Deputy Secretary.

(5) Three members shall form the quorum for transaction of business at a meeting of the Local Board.

(6) All questions at a meeting of the Local Board shall be decided by a majority of votes by the members present and in the case of equality of votes, the Chairman of the meeting shall have a second or casting vote.

(7) A copy of the proceedings of each meeting of the Local Board shall be circulated as soon as possible thereafter for the information of the members, and shall be signed by the Chairman of that or the next succeeding meeting.

(8) A copy of the minutes of a Local Board meeting shall also be sent forthwith to the Chairman who shall cause the same to be laid before the Central Board.

53. Adoption of resolution by Local Board by circulation.—(1) A resolution in writing signed by a majority of the members of the Local Board shall be valid and effectual, and shall be deemed to be the resolution passed by the Local Board on the date on which it is signed by the last signatory to the resolution:

Provided that if any dissenting member in writing requires that any resolution so passed shall be placed before a meeting of the Local Board, the resolution shall not be deemed to be valid and effectual, as aforesaid, unless the resolution is passed at such meeting.

(2) Nothing in sub-regulation (1) shall apply to a resolution in respect of any matter relating to the making of advances or discounting of bills by the State Bank.

54. Powers of Local Boards.—Without prejudice to the other provisions of these regulations, a Local Board constituted at any Local Head Office shall, subject to any general or special directions as the Central Board may give from time to time, exercise all the powers and perform all the functions and duties in relation to the usual business of the State Bank in the areas and branches within the jurisdiction of that Local Board.

Explanation.—For the purposes of this regulation and the following regulations, the jurisdiction of a Local Board shall extend to such areas and branches as may be allotted to it by the Central Board from time to time, and until other provision is made, the Local Board of the State Bank at each place shall exercise the powers and perform the functions and duties assigned to it in respect of the same areas and branches as were allotted to the Local Board of the Imperial Bank established at that place before the appointed day.

55. Local Boards' powers with regard to staff.—(1) Save as provided in sub-regulation (2), and as may be directed by the Central Board, a Local Board may exercise all the powers of the State Bank in respect of the staff serving in the areas in its jurisdiction.

(2) (a) The initial appointment of officers, staff assistants and other employees starting on a pay of Rs. 225 per mensem and over shall be made by the Executive Committee. Such officers, staff assistants and other employees shall not be dismissed from the service of the State Bank except by the Executive Committee.

(b) The salaries and other emoluments to be granted to officers, staff assistants and other employees appointed by the Executive Committee shall, in the case of officers and staff assis-

tants, be as laid down in the rules approved by the Central Board for the service of officers and staff assistants and, in the case of other employees, as fixed by the Executive Committee.

(c) The appointment of officers to senior appointments (except temporary appointments for periods of less than three months), the promotion of officers to the first and second grades under their rules of service, and the promotion of assistants to the third grade of officers shall be made by the Central Board or by the Executive Committee subject to specific confirmation by the Central Board at its next meeting. The promotion of staff assistants to the first and second grades under their rules of service shall be made by the Executive Committee.

(d) The power to grant pensions to officers, staff assistants and other employees leaving the service of the State Bank, other than pensions provided for under the rules of the pension funds respectively applicable to them, shall be reserved to the Central Board.

(e) The grant of gratuities or other financial assistance, either temporary or permanent, to widows, children or other dependants of deceased officers, staff assistants or other employees shall be made by the Executive Committee of the Central Board except where the grant of any such gratuity or financial assistance is authorised by any general direction given by the Central Board.

56. Constitution and powers of the Committee of the Local Board.—(1) There shall be a Committee of each Local Board consisting of the Chairman or Vice-Chairman of the State Bank, if any of them is a member of the Local Board, the President or Vice-President and two other members to be elected as equally as possible in rotation from among the remaining members of the Local Board, both elected and nominated.

(2) Subject to such general or special directions, as the Central Board may, from time to time give, a Committee of the Local Board may deal with any matter within the competence of the Local Board.

57. Meetings of the Committee of the Local Board.—(1) The meetings of the Committee of the Local Board shall be convened by the Secretary or, in his absence, by the Deputy Secretary from time to time as he may consider necessary having regard to the business to be transacted at such meetings.

(2) Two members of the Committee shall form a quorum.

(3) The minutes of the Committee of the Local Board shall be laid before the Local Board as soon as possible after each meeting. A copy of the minutes of each meeting of the Committee of the Local Board shall also be sent forthwith to the Chairman who shall cause the same to be laid before the Committee of the Central Board.

(4) Save as otherwise provided in these regulations, the provisions of the Act and these regulations shall apply to the meetings of the Committee of the Local Board as if they were meetings of the Local Board.

CHAPTER VIII

REMUNERATION OF DIRECTORS AND LOCAL BOARD MEMBERS

58. Chapter VIII not to apply to Chairman and Vice-Chairman.—The provisions of this Chapter shall not apply to the Chairman or the Vice-Chairman.

59. Fees for Directors, etc.—(1) A director not being a Managing Director or an officer of the Central Government or the Reserve Bank shall be paid fees by the State Bank as follows:—

- (a) For attending meetings of the Central Board.—Rs. 150 for each meeting.
- (b) For attending meetings of the Executive Committee.—Rs. 40 for each meeting.
- (c) For attending to any other work of the State Bank.—Such sum as the Central Board may fix from time to time having regard to the nature and amount of work involved.

(2) A Local Board member not being a Managing Director or an officer of the Central Government or the Reserve Bank shall be paid fees by the State Bank as follows:—

- (a) For attending meetings of the Local Board.—Rs. 40 for each meeting.
- (b) For attending meetings of the Committee of Local Board.—Rs. 30 for each meeting.
- (c) For attending to any other work of the State Bank.—Such sum as the Central Board may fix from time to time having regard to the nature and amount of work involved.

60. Reimbursement of travelling expenses of Directors and Local Board Members.—(1) In addition to the fees to which a director or a Local Board member may be entitled to be paid under Regulation 59, every such director or member of a Local Board travelling in connection with the work of the State Bank shall be reimbursed his travelling and halting expenses, if any, on such basis as may be fixed by the Central Board from time to time.

(2) A managing director or a director who is an officer of the Central Government or the Reserve Bank shall be reimbursed his travelling and halting expenses on such basis as may be applicable to him under his own rules of service.

(3) Notwithstanding anything contained in sub-regulation (1), no travelling and halting allowances shall be payable to a director or member of a Local Board referred to in that sub-regulation for attending a meeting of the Executive Committee or a Committee of the Local Board unless such payment is specially authorized by the Central Board.

CHAPTER IX

ADVANCES, DISCOUNTS AND ACCOUNTS

61. Discounts for and advances to, individuals or firms.—Except upon the security mentioned in sub-clauses (a), (b) and (e) of clause (i) of section 33 of the Act, the State Bank shall not discount bills for or lend or advance in any way to any individual or partnership firm an amount exceeding in the aggregate at any one time twenty lakhs of rupees.

62. Discounts for, and advances to, companies or associations with limited liability.—Except upon the security mentioned in sub-clauses (a), (b) and (c) of clause (i) of section 33 of the Act, a Local Board shall not, without the previous sanction of the Executive Committee discount bills for or lend or advance in any way to any company or association with limited liability an amount exceeding in the aggregate at any one time thirty lakhs of rupees.

63. Advances and discounts beyond rupees five lakhs to be reported to Executive Committee even though secured.—(1) A Local Board may lend or advance or discount bills, without limit, on the securities mentioned in sub-clauses (a), (b) and (e) of clause (i) of section 33 of the Act and with or without further security of the kind mentioned in sub-clause (h) of clause (i) of that section, but any such loan or advance granted or renewed or any such bill discounted which makes the borrower's total indebtedness to the State Bank against any such securities, or against any such securities and any of the securities referred to in regulation 64, amount to or exceed rupees five lakhs at the Local Head Office and branches under the jurisdiction of the same Local Board shall be immediately reported to the Executive Committee.

(2) For the purpose of this and the next following regulation, indebtedness to the State Bank shall be deemed to include the maximum drawing powers sanctioned on fluctuating accounts and the maximum limits sanctioned for the discount of documentary bills, even though the actual drawing powers or bills discounted are less than the maximum drawing powers and limits sanctioned.

64. Prior sanction of Central Board necessary to advances or discounts for more than rupees five lakhs against certain securities.—A Local Board may lend or advance on the securities mentioned in sub-clauses (c) and (d) of clause (i) of section 33 of the Act, and, where the original security is of the kind specified in sub-clause (g) of clause (i) of that section, on the collateral security of any of the securities mentioned in sub-clause (h) of clause (i) of that section, but no such loan or advance which, if granted or renewed, would make the borrower's total indebtedness to the State Bank against any such security amount to or exceed rupees five lakhs in the area of the Local Board in which the loan or advance is to be made, shall be granted or renewed, as the case may be, except with the prior sanction of the Central Board or the Executive Committee.

65. Permissible limits for overdrawing of accounts.—Accounts may be overdrawn without security or without security of a description authorised by the Act or these regulations to the extent of rupees one lakh and, with the previous sanction of the Executive Committee, to an extent exceeding rupees one lakh but not exceeding rupees five lakhs.

66. Advances under clause (xvii) of section 33.—All advances, loans or cash credits granted to any company or society under clause (xvii) of section 33 of the Act shall be subject to the prior sanction of the Central Board or, in cases of urgency, of the Executive Committee, and the State Bank shall not make or grant such advance, loan or cash credit until a valuation of the assets of the company or society seeking such accommodation has been made, submitted and accepted, and in no case shall such advance, loan or cash credit exceed such proportion of the assets so disclosed by valuation as the Central Board, or the Executive Committee, shall fix.

67. Directors and members of Local Boards to notify the names of companies in which they are interested.—Without prejudice to the provisions of sub-section (3) of section 31 of the Act, all directors and members of the Local Boards shall notify to the Chairman the names of all companies in which they are interested, and shall also declare the fact at any time an advance to any of the said companies is being considered.

68. Members of Local Boards not to participate in proceedings in which they are interested.—No member of a Local Board shall sit, judge or vote on any matter connected with any business of the State Bank in which he is personally concerned or on any motion respecting the loan or advance of money or otherwise giving credit to himself, his partner, co-trustee, employee or relative or to a private company, firm or individual with which or with whom such member is connected as director, manager, partner or employee.

69. Prior approval of Executive Committee necessary to grant of loans to joint stock companies of which Local Board members are directors.—Except on the security mentioned in sub-clause (a) and (b) of clause (i) of section 33, a loan or an advance to a joint stock company of which any member of a Local Board is a director shall not be finally sanctioned by that Local Board without the previous approval of the Executive Committee.

70. Advances to officers and employees of the State Bank.—No advance save on the security mentioned in sub-clauses (a) and (b) of clause (i) of section 33 of the Act shall be made—

- (a) to the Chairman, Vice-Chairman or a Managing Director without the specific sanction of the Central Board, and
- (b) to any other officer or an employee of the State Bank without the sanction of the Executive Committee or of the Local Board, as the case may be, under which he is serving.

71. Advances at lower rates.—If an advance is granted to a director or a member of the Local Board or to any concern in which any director or member of the Local Board is interested as a partner or a co-trustee or if the concern is a private company, as a director or an employee, at a rate of interest lower than the rate normally charged by the State Bank on similar advances to other parties at that time, the reasons for granting the advance at the lower rate shall be recorded in the resolution sanctioning the advance.

72. Suspense Accounts.—(1) Not more than two suspense accounts (i.e. accounts in which items which cannot be passed at once into their proper accounts are in the meantime debited or credited) shall be kept at any Local Head Office or branch. Each branch shall forward monthly to its Local Head Office a detailed statement of the suspense accounts kept showing all the items outstanding.

(2) Statements of the suspense accounts at the Local Head Office shall be laid before the Local Board concerned at each meeting.

73. Accounts of investments in Government securities.—The State Bank's investments in securities shall be divided into two accounts, viz., "Bank's Investments Permanent Account" and "Bank's Investments Floating Account". The "Bank's Investments Permanent Account" shall not exceed ten crores of rupees. The valuation of the securities forming the "Bank's Investments Permanent Account" shall be made on the principle of fixity of valuation, being such a valuation as the Central Board may consider represents the fair normal value of the securities judging by previous prices, the large amount involved and the position and prospects of the market; but no revaluation, with a view to the appropriation of profit, shall take place until some marked difference of value between the rates of valuation and the market rates arises under circumstances of such duration or of such nature as will warrant a belief in the permanency of the difference. The securities forming the "Bank's Investments Floating Account" shall be the securities held by the State Bank in excess of the amount held in the "Bank's Investments Permanent Account" and shall be valued yearly at rates not exceeding the market rates on the last day of December each year.

74. Weekly statement of affairs.—The State Bank shall prepare and transmit to the Reserve Bank a weekly statement of its affairs in such form as the Reserve Bank may, from time to time, approve. A copy of every such statement shall be displayed at all Local Head Offices and branches of the State Bank.

CHAPTER X

MISCELLANEOUS

75. Manner and form in which contracts binding on the State Bank may be executed.—(1) Contracts on behalf of the State Bank may be made as follows:—

- (i) Any contract which, if made between private persons, would be by law required to be in writing signed by the parties to be charged therewith, may be made on

behalf of the State Bank in writing signed by any person acting under its authority, express or implied, and may in the same manner be varied or discharged;

- (ii) Any contract which, if made between private persons, would by law be valid although made by parol only and not reduced to writing may be made by parol on behalf of the State Bank by any person acting under its authority, express or implied, and may in the same manner be varied or discharged.

(2) All contracts made according to the provisions of this regulation shall be effectual in law, and shall bind the State Bank and all other parties thereto and their legal representatives.

76. Accounts, receipts and documents of State Bank by whom to be signed.—(1) The Vice-Chairman, the Managing Directors, the Secretaries and Treasurers and such other officers or employees of the State Bank as the Central Board may authorise in this behalf by notification in the *Gazette of India* are hereby severally empowered, for and on behalf of the State Bank, to endorse and transfer promissory notes, stock-receipts, stock-debentures, shares, securities and documents of title to goods, standing in the name of or held by the State Bank, and to draw, accept and endorse bills of exchange, and letters of credit, in the current and authorized business of the State Bank, and to sign all other letters, advices, accounts, receipts and documents connected with such business.

(2) Without prejudice to the provisions of sub-regulation (1) all powers of attorney and other authorisations issued by the Imperial Bank in favour of any officer or other employee who becomes an officer or other employee of the State Bank by virtue of section 7 of the Act shall continue to be in full force and effect as if instead of the Imperial Bank, the State Bank had been a party to such powers of attorney or authorisations, and, accordingly, any such officer or other employee may exercise on behalf of the State Bank such powers as he was exercising before the appointed day on behalf of the Imperial Bank.

(3) The provisions of this regulation shall not be deemed in any way to affect the provisions of the Imperial Bank of India Act, 1920, nor the authority which any person has under that Act in relation to the Imperial Bank, and any such person if so authorised under this regulation and by, or under, the Imperial Bank of India Act, 1920, may act on behalf of the State Bank as well as the Imperial Bank to the extent so authorised.

77. Complaints etc. by whom to be signed.—Complaints, written statements, petitions, and applications may be signed and verified, affidavits may be sworn or affirmed, bonds may be signed, sealed and delivered, and generally all other documents connected with legal proceedings whether contentious or non-contentious may be made and completed on behalf of the State Bank by the Chairman or by any officer or employee empowered by or under regulation 76 to sign documents for and on behalf of the State Bank.

78. Joint responsibility of Managing Directors in administrative and staff matters.—The Chairman shall, whenever two Managing Directors are in office, endeavour to promote as large a measure as possible of joint responsibility between them in administrative and staff matters of the State Bank.

79. Obligation to notify disqualifications of directors and members of Local Boards and Local Committees.—(1) If a director or a member of the Local Board or Local Committee becomes subject to any of the disqualifications set out in section 22 of the Act, he shall forthwith notify the fact as well as the date from which the disqualification became applicable to him, to the Chairman.

(2) The Chairman shall inform the Central Government and the Reserve Bank as soon as it comes to his notice that any director or member of a Local Board or Local Committee has become subject to any of the disqualifications specified in section 22 of the Act.

80. The seals of the State Bank.—(1) The common seal of the State Bank shall not be affixed to any instrument except in the presence of at least three directors (one of whom shall be the Chairman, Vice-Chairman or a Managing Director), who shall sign their names to the instrument in token of their presence, and such signing shall be independent of the signing of any person who may sign the instrument as a witness. Unless so signed, as aforesaid, such instrument shall be of no validity.

(2) The State Bank shall have for use by the Local Boards at Calcutta, Madras and Bombay, and may have for the use of other Local Boards established under the Act, official seals which shall be facsimiles of the common seal of the State Bank with the addition of the name of the Local Head Office where it is to be used.

(3) An instrument to which an official seal is duly affixed shall bind the State Bank as if it had been sealed with the common seal of the State Bank.

(4) An official seal shall not be affixed to any instrument except in the presence of at least two members of the Local Board and the secretary, or deputy secretary, who shall sign their names to the instrument in token of their presence and such signing shall be independent of the signing of any person who may sign the instrument as a witness. Unless so signed as aforesaid such instrument shall be of no validity.

(5) The official seal shall be affixed to the certificates issued in respect of any shares entered in the branch registers kept at those places, and may be used for such other purposes as may be determined by the Local Board.

(6) Without prejudice to the generality of the foregoing sub-regulation, an official seal may be affixed by a Local Board to instruments of the following descriptions in connection with business at the offices and branches under its jurisdiction, namely:—

(a) Leases of office premises, godowns, houses and other property required in connection with the business of the

- State Bank and surrenders and transfers of such leases.
- (b) Conveyances of property bought or sold by the State Bank.
 - (c) Instruments whereby any property is mortgaged to the State Bank, conveyances on sale or by way of transfer of mortgage, and reconveyances, surrenders and releases of such property.
 - (d) Powers of attorney granted by the State Bank.
 - (e) Agreements for service of employees whom the Local Board is empowered to appoint.
 - (f) Contracts of indemnity, suretyship or guarantee with specific security or otherwise.
 - (g) Instruments of appointment or discharge of the State Bank as trustee of any trust, or connected with the administration of any estate in which the State Bank is concerned as executor, trustee, or otherwise.

81. Service of Notices to Shareholders.—(1) Save as otherwise provided in these regulations, a notice may be given by the State Bank to any shareholder either personally or by sending it by post to him to his registered address.

(2) Any notice required to be given by the State Bank to the shareholders or any of them and not expressly provided for by these regulations, shall be sufficiently given if given by advertisement.

(3) Any notice sent by post shall be deemed to have been served on the third day following that on which the envelope or wrapper containing the same is posted, and in proof of such service it shall be sufficient to prove that the envelope or wrapper containing the notice was properly addressed pre-paid and put into the post office, and a certificate in writing signed by an employee of the State Bank that the envelope or wrapper containing the notice was so addressed pre-paid and posted shall be conclusive evidence thereof. Any notice given by advertisement shall be deemed to have been given on the date on which the advertisement first appeared.

(4) Any notice given in accordance with the foregoing provisions shall be deemed to have been duly given notwithstanding that the shareholder be then deceased and whether or not the State Bank had notice of his decease, and shall, in that event, be deemed to be a notice to his legal representatives.

(5) All notices with respect to any registered shares to which persons are jointly entitled shall be given to whichever of such persons is named first in the branch register on which the shares are entered, and notice so given shall be sufficient notice to all the holders of said shares.

(6) The signature to any notice to be given by the State Bank may be written or printed.

82. Service of notice on State Bank.—A notice may be served on the State Bank by leaving it at, or sending it by post to, any Local Head Office of the State Bank.

83. Payment of dividend.—(1) An account of the profits of the State Bank shall be taken on or immediately after every thirty-first day of December every year, and a dividend, if any, shall be declared and paid, as soon as conveniently may be, thereafter.

(2) No dividend shall carry interest as against the State Bank.

(3) Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends in respect of such share.

(4) Dividend shall be paid by cheque or warrant drawn on a Local Head Office of the State Bank, and shall be sent through post to the registered address of the shareholder entitled, or in the case of joint holders to the registered address of the one whose name stands first on the register in respect of the joint holding, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

(5) The State Bank shall not make payment of a dividend to any person not entitled thereto under the Act or these regulations, but shall retain the same and make payment thereof to the person who next becomes registered in respect of the share on which such dividend is payable, and is not disentitled under the Act or these regulations to receive it.

84. Matters not covered by these regulations.—All rules made by the Central Board of the Imperial Bank and in force immediately before the appointed day shall, in respect of matters not specifically covered by these regulations, continue to be in full force and effect, in so far as such rules are not inconsistent with the provisions of the Act and these regulations, as if the said rules were regulations made under the Act, until the same shall be duly altered, amended or repealed, and in construing the said rules, any references to the authorities of the Imperial Bank shall be deemed to be references to the corresponding authorities of the State Bank.

B. RAMA RAU,
Governor.

